

Education and Workforce Development Cabinet

Kentucky's jobless rate drops to 10.4 percent in May

Press Release Date: Thursday, June 17, 2010

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Editor's Note: Preliminary May and revised April labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate fell to 10.4 percent in May 2010 from a revised 10.6 percent in April 2010, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The May 2010 jobless rate is .2 percentage points lower than the 10.6 percent rate recorded in May 2009 for the state. The 10.4 percent rate recorded in May 2010 matches the 10.4 percent rate in Kentucky in April 2009 and is the lowest unemployment rate recorded since that time.

"Temporary hiring at a federal agency engaged in data collection efforts boosted Kentucky's nonfarm payrolls for the third consecutive month. A drop in the number of entrants and re-entrants into the civilian labor force exacerbated the decline in the unemployment rate in May 2010," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate decreased from 9.9 percent in April 2010 to 9.7 in May 2010, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Five of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment increase in May 2010, while three decreased and three remained the same, according to OET. An increase of 6,500 jobs in May 2010 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,779,500. This represents the third consecutive month of job gains and the highest level of nonfarm employment since February 2009, when total nonfarm employment was recorded at 1,786,300.

"Since May 2009, Kentucky's nonfarm employment has advanced by 12,900 professionals. This marks the first year-over-year increase in nonfarm employment since February 2008, ending a string of 26 months in a row of year-over-year employment losses," said Detzel.

According to the seasonally adjusted employment data, the government sector, which includes public education, public administration agencies and state-owned hospitals, gained 3,400 jobs in May 2010. The sector has 5,900 more jobs compared to May 2009.

"The year-over-year expansion occurred predominantly in the federal government subsector, reflecting a base realignment and hiring at multiple federal agencies including a ramp up at a federal agency in preparation for data collection efforts. Despite the overall expansion in the government sector, the local government subsector endured over-the-year job losses," Detzel said.

Manufacturing sector jobs increased by 1,600 in May 2010. Since May 2009, employment in the manufacturing sector has fallen by 100 positions.

"Job gains from April 2010 to May 2010 were concentrated in the durable goods subsector, which is a sign of an expansion at an appliance manufacturer and the opening of a steel cabinet factory," said Detzel. "This is the third month in a row the manufacturing sector has reported job growth."

Kentucky's leisure and hospitality sector climbed by 1,300 jobs in May 2010. Since May 2009, employment in the sector has decreased by 1,100 positions. The leisure and hospitality sector

includes arts, entertainment and recreation, accommodations and food services and drinking places industries.

The professional and business services sector rose by 800 positions in May 2010. This area includes professional, scientific and technical services, management of companies and administrative support and waste management, including temporary help agencies. Since last May, jobs in the sector have surged by 14,200.

"Since May 2009, this sector has grown by 8.4 percent with the expansion attributed to administrative and support businesses," said Detzel.

The information sector reported 200 more positions in May 2010. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has decreased by 800 positions since May 2009.

Employment in the mining and logging sector remained at the same level from April 2010 to May 2010. The sector has lost 1,100 workers since May 2009.

Kentucky's trade, transportation and utilities sector maintained steady employment in May 2010. This area includes retail and wholesale trade, transportation and warehousing businesses and utilities. It is the largest sector in Kentucky with 364,300 employees. Since May 2009, the number of jobs in this sector has increased by 1,400.

"The lion's share of the year-over-year job gains are attributed to retail trade establishments, which reflects the openings of countless stores in the last year. Transportation, warehousing and utilities businesses also exhibited over-the-year job gains. As the economy stabilizes, consumers are loosening their purse strings and opening their wallets. The easing in the retrenchment by consumers is positively impacting transportation enterprises as resurgent demand for products ripples through distribution networks," said Detzel.

The educational and health services sector reported the same number of workers in April 2010 and May 2010. The sector had 4,200 more workers in May 2010 than May 2009. This sector

includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

Employment in the other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations and civic and professional organizations, decreased by 500 positions in May 2010. This sector had 1,600 fewer positions in May 2010 than in May 2009.

The financial activities sector lost 200 jobs in May 2010. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has fallen by 3,300 positions over the past 12 months.

Construction sector jobs fell by 100 positions in May 2010. Since May 2009, employment in the construction sector has fallen by 4,800 jobs.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for May 2010 was 1,865,284 on a seasonally adjusted basis. This figure is up 212 from the 1,865,072 employed in April 2010, but down 1,891 from the 1,867,175 employed in May 2009.

The monthly estimate of the number of unemployed Kentuckians for May 2010 was 215,652, down 4,949 from the 220,601 Kentuckians unemployed in April 2010, and down 6,821 from the 222,473 unemployed in May 2009.

The monthly estimate of the number of Kentuckians in the civilian labor force for May 2010 was 2,080,936. This figure is down 4,737 from the 2,085,673 recorded in April 2010, and down 8,712 from the 2,089,648 recorded in May 2009.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

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